

Sandstorm to Acquire Elsiar Property in Northern BC From Eagle Plains

Vancouver, B.C., January 23, 2008

Sandstorm Resources Ltd. (TSXV: SSL.P) ("Sandstorm"), a Vancouver based Capital Pool Company listed on the TSX Venture Exchange (the "Exchange"), is pleased to announce that it has entered into an Option Agreement dated effective January 16, 2008 with Eagle Plains Resources Ltd. ("Eagle Plains") (TSXV: EPL), to earn up to a 75% interest in the Elsiar Property located 40 km north of Terrace in British Columbia, Canada.

The Option Agreement, if completed, will constitute the Company's "Qualifying Transaction" under the Exchange's policies. The Option Agreement constitutes an arm's length qualifying transaction and, in accordance with Exchange policies, will not be subject to shareholder approval.

PROPOSED OPTION AGREEMENT

Under the terms of the Option Agreement, Sandstorm will acquire a 60% interest in the Elsiar Property in exchange for aggregate payments and share issuances to Eagle Plains of \$500,000 and 700,000 post sub-division shares (please see below under "Proposed Share Sub-Division") over a period of five years, and by incurring expenditures of \$3,000,000 on the Elsiar Property over the same time period. Sandstorm is entitled to earn a further 15% interest in the Elsiar Property, for an aggregate 75% interest, by making all expenditures required to deliver a bankable Feasibility Study on the Elsiar Property by no later than the eighth anniversary of the date of regulatory approval of the Option Agreement. Upon Eagle Plains earning a 60% interest in the Elsiar Property, a joint venture will be formed between the parties.

The Elsiar Property is subject to a 1% net smelter returns royalty payable to Mr. Bernie Kreft, which may be bought out for \$1,000,000 within 30 days of a decision to take the Elsiar Property to commercial production. Additionally, Sandstorm's interest in the Elsiar Property will be subject to a 1% Net Smelter Returns royalty to be paid to Eagle Plains, which Sandstorm will be entitled to buy out for \$1,000,000.

Sandstorm has agreed to pay a \$7,500 finder's fee in connection with the Option Agreement.

Upon completion of the Option Agreement, all common shares held by Principals of Sandstorm (as such term is defined in the Exchange's policies) will be held in escrow in accordance with the policies of the Exchange.

PROPOSED SHARE SUB-DIVISION

Subject to all necessary approvals and prior to closing the transactions underlying the Option Agreement, Sandstorm anticipates subdividing its outstanding common shares on a two for one basis.

PROPOSED PRIVATE PLACEMENT

Sandstorm proposes to complete, concurrently with the closing of the Option Agreement, a non-brokered private placement of up to 13,350,000 units of the Company at a price of \$0.10 per unit, for gross proceeds of up to \$1,335,000. Each unit will consist of one post sub-division common share and one post sub-division common share purchase warrant. Each warrant will entitle the holder to acquire one additional post-subdivision common share of the Company at a price of \$0.195 a share for a period of two years from closing.

The proceeds of this private placement will be used to fund the costs associated with completing the Option Agreement, the proposed work programs on the Elsiar Project, and for general working capital purposes.

THE RESULTING ISSUER

On the closing of the Option Agreement and the non-brokered private placement, Sandstorm will be classified as a natural resource issuer and will have approximately 17,792,000 issued post-subdivision common shares and 13,350,000 post-subdivision warrants outstanding that entitle the holders to purchase an equal number of common shares. A total of 100,000 Directors' and Officers' Options and 198,000 Agent's Warrants will be outstanding.

THE VENDOR

Eagle Plains is a company incorporated under the laws of Alberta and extra-provincially registered in British Columbia. Eagle Plains currently trades on the TSX Venture Exchange.

CONDITIONS PRECEDENT

The parties' obligations to complete the Option Agreement are subject to the satisfaction of the usual conditions precedent including obtaining all necessary approvals of the Exchange to the Option Agreement and the transactions underlying the Option Agreement.

DIRECTORS, OFFICERS AND OTHER INSIDERS

On completion of the Option Agreement, the directors, senior officers, insiders and senior advisors of the resulting issuer are anticipated to be:

Marcel de Groot, Chief Executive Officer and Director

Mr. de Groot is a Chartered Accountant and a founding partner of Pathway Capital Ltd. He is currently a Director of both Luna Gold Corp. and Underworld Resources Inc.

David De Witt, Director

Mr. De Witt is a founder and chairman of Pathway Capital Ltd., a Vancouver based private venture capital company. He currently holds directorships in a number of public companies involved in the natural

David Awram, Director

Mr. Awram holds the position of Director, Investor Relations at Silver Wheaton Corp., a TSX and NYSE listed mining company based in Vancouver, British Columbia. He holds a B.Sc. (Honours) in Geology from the University of British Columbia.

Patrick De Witt will remain as the Chief Financial Officer of Sandstorm.

SUMMARY OF THE ELSIAR PROJECT

The Elsiar copper-molybdenum-gold property is comprised of 18 contiguous claim units that cover 5,330 hectares that are held 100% by Eagle Plains and is centered upon a number of Cretaceous-age quartz biotite porphyry stockworks. Little historical activity has occurred in the area, but work to date has shown that the Elsiar Property displays classic geologic features of a BC copper-molybdenum system. It benefits from excellent infrastructure including logging roads, hydroelectric power lines and close proximity to rail and deep-water international ports in Kitimat and Prince Rupert.

The Elsiar Property was acquired by Eagle Plains in 2003 and has had approximately \$1,000,000 in exploration work during 2004 and 2005 including extensive geochemical sampling programs, airborne geophysics and two successful drill programs.

A work program consisting of the geochemical sampling and detailed mapping to determine exploration drill hole targets is proposed as a Phase 1 of exploration on the Elsiar Project.

Further quantitative information concerning the Project will be disclosed following completion of a "qualifying report" in accordance with National Instrument 43-101, which is presently being prepared.

GENERAL

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with the

Exchange policies or waived by the Exchange. Sandstorm intends to apply for an exemption or waiver from sponsorship requirements. However, there is no assurance that Sandstorm will be able to obtain this exemption or waiver.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release

Trading in the Company's common shares on the Exchange will be halted pending completion of the Qualifying Transaction.

ON BEHALF OF SANDSTORM RESOURCES LTD.

"Dean Fenwick"

Dean Fenwick, Chief Executive Officer and Director

FOR FURTHER INFORMATION CONTACT:

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